

PUBLIC SERVICE COMMISSION OF WISCONSIN

Minutes and Informal Instructions of the Open Meeting of
Thursday, August 14, 2014

The Public Service Commission of Wisconsin (Commission) met as noticed. Present were Chairperson Montgomery, Commissioner Callisto and Commissioner Nowak.

Minutes

The Commission approved the minutes of the open meetings of Friday, July 18, 2014, and Tuesday, July 22, 2014.

5-GF-252 - Joint Application of the City of Wisconsin Dells and Adams-Columbia Electric Cooperative for the Approval of the Second Amendment to the Boundary Line Agreement of June 15, 2009 Pursuant to Wis. Admin. Code § PSC 112.08(2)

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

6725-RW-160 - Tolls to be Charged for the Wisconsin Valley Improvement Company for the Six Month Period Ending June 30, 2014

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

6220-ER-105 - Application of the City of Waterloo, Jefferson County, Wisconsin, as an Electric Public Utility, for Authority to Increase Rates

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

6630-GF-130 - Request for Approval of Wisconsin Electric Power Company's Integrated Risk Management Plan for Electric Energy

The Commission approved the Order to Reopen and Request for Comments and directed it be signed by the Secretary to the Commission on behalf of the Commission.

1-AC-247 - Changes to chs. PSC 113, 134 and 185 to Conform with 2013 Wisconsin Act 274 Regarding Municipal Utility Collection Practices

The Commission approved the Statement of Scope in this docket after its publication in the *Wisconsin Administrative Register* and directed staff to begin working on the rule.

3270-UR-118 - Application of Madison Gas and Electric Company for Authority to Change Electric and Natural Gas Rates

Application for Reconciliation of Actual Costs for Items in its Approved Final Cost Plan for 2013 per Wis. Admin. Code § PC 116.07

The Commission accepted the reported 2013 monitored fuel costs and the resulting deferred account balance credit of \$6,747,971 filed on behalf of Madison Gas and Electric Company (MGE).

The Commission directed MGE to credit the amount of \$6,747,971 in over-collected fuel costs (plus interest at the short-term debt rate from January 1, 2014, until the date of refund completion) to ratepayers in their next monthly bill for electric usage.

The Commission further directed the Gas and Energy Division to draft an order consistent with its discussion.

6690-DR-109 - Petition of Wisconsin Public Service Corporation for Declaratory Ruling Regarding the Right to Self-Supply Station Power to Fox Energy Center

The Commission discussed this matter and determined that Wisconsin Public Service Corporation (WPSC) is entitled to self-supply station power at its Fox Energy Center facility.

The Commission, therefore, granted the request for a declaratory ruling filed on behalf of WPSC based upon the specific facts and agreement at issue. The Commission agreed to order a stay of the implementation of WPSC's ability to self-supply station power until the City of Kaukauna's municipal electric utility (Kaukauna) has had an opportunity to adjust its rate to accommodate for the loss of load. Kaukauna shall file a rate case within six months from the effective date of the Commission's final decision seeking such adjustment.

The Commission further determined that there is no need to address the Midcontinent Independent System Operator, Inc., Schedule 20 tariff issue in the order to be prepared in this matter.

The Commission directed the Gas and Energy Division to draft an order consistent with its discussion.

5-EI-152 - Application of Municipal Electric Utilities of Wisconsin to Open a Docket to Consider Pre-Approval of Criteria Related to the Implementation of Wis. Stat. § 66.0809(9) Relating to a Deferred Payment Agreement to a Residential Customer who is a Tenant

The Commission modified and approved the following criteria that may be used when deciding under what circumstances deferred payment agreements may not be offered to residential tenants:

1. The residential tenant has greater than \$100 of account arrearages that are more than 90 days past due for utilities that bill monthly, or for utilities that do not bill monthly, has greater than \$100 of account arrearages that are past due for more than two billing cycles.
2. The residential tenant has defaulted on a deferred payment agreement in the past 12 months. This criteria only applies to deferred payment agreements and not to other types of payment extensions or agreements.
3. The residential tenant is responsible for account arrearages that were placed on any property owner's tax bill in the utility's service territory in the past 24 months.
4. The residential tenant has a balance that accrued during the winter moratorium that is more than 80 days past due.

The Commission also determined that before a municipal utility can implement the above pre-approved criteria, or decides not to offer deferred payment agreements as permitted by Wis. Stat. § 66.0809(9), the municipal utility must modify its tariff to reflect whether, and in what situations, a residential tenant will be denied a deferred payment agreement, and it must hold a hearing on the proposed modifications.

The Commission delegated authority to the Administrator of the Division of Water, Compliance and Consumer Affairs to approve changes to individual municipal utility tariffs consistent with the approved criteria.

The Commission directed the Division of Water, Compliance and Consumer Affairs to draft an order consistent with its discussion.

**3480-CC-152312 - Request for Formal Review of Complaint Filed by Kristy L. Boehnen
Against Mazomanie Water Utility**

The Commission determined that the request for a formal review filed on behalf of the Mazomanie Water Utility, relating to a complaint against the utility as to responsibility for thawing the utility-owned portion of a frozen lateral, is without merit.

The Commission directed the Division of Water, Compliance and Consumer Affairs to draft an order consistent with its discussion.

**9300-SI-115 - Complaint of Fox River Fiber Company, LLC, Against the City of De Pere
and the Green Bay Metropolitan Sewerage District Concerning Unreasonable and
Discriminatory Sewerage Rates**

The Commission discussed this matter and made determinations, including the following:

1. A portion of the “Business Services and Information Systems” account shall be allocated to interceptor-related costs using a labor allocator of 13.70 percent. The “Laboratory Services and Environmental Programs,” “Maintenance,” and “Engineering” accounts shall not be allocated to interceptor-related costs.
2. A portion of the “Total Power” account, consisting of the “District Pump” and “Mill Pump” accounts, shall be assigned to interceptor-related costs.
3. A portion of the “Other Miscellaneous” account shall be allocated to interceptor-related costs using a labor allocator of 13.70 percent.
4. The “2013 Requests–Allocated to All” account does not contain any interceptor-related costs.
5. A portion of the “Total Revenue and Transfers” account shall be allocated to interceptor-related costs using a labor allocator of 13.70 percent.
6. Commission staff’s methodology for removing municipal interceptor costs from Green Bay Metropolitan Sewerage District’s (GBMSD) unit rates as applied to Fox River Fiber Company, LLC (Fox River Fiber), in the 2013 and 2014 budgets is reasonable.

7. A standby charge of not less than \$28 per hour for Fox River Fiber's infrequent and intermittent use of the Ninth Street and Ashwaubenon Creek interceptors is reasonable.

Commissioner Callisto dissented.

8. The new rates shall be effective as of March 20, 2014, and GBMSD shall refund any overpayment made by Fox River Fiber.

The Commission directed the Division of Water, Compliance and Consumer Affairs to draft an order consistent with its discussion.

5-GF-247 - Determination of 2014 and 2015 Conventional Electricity Displacement Percentage for Displacement Facilities

The Commission approved the Notice of Investigation and Request for Comments and directed it be signed by the Secretary to the Commission on behalf of the Commission.

1920-CW-101 - Application of Fall Creek Municipal Water Utility, Eau Claire County, Wisconsin, to Replace Pump House No. 1

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

5990-ER-107 - Application of the City of Two Rivers, Manitowoc County, Wisconsin, as an Electric Public Utility, for Authority to Increase Electric Rates

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

6680-CG-160 - Application of Wisconsin Power and Light Company, as a Gas Public Utility, for Authority to Construct Facilities and Provide Natural Gas Service in the Town of Willow Springs, Lafayette County, Wisconsin

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

1250-CW-103 - Application of the City of Colby Municipal Water Utility, Clark and Marathon Counties, Wisconsin, for Authority to Construct Two New Wells and Related Facilities

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

6630-CE-312 - Application of Wisconsin Electric Power Company for Authority to Replace a Wastewater Treatment System at its Pleasant Prairie Power Plant, Village of Pleasant Prairie, Kenosha County, Wisconsin

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

CLOSED SESSION – The Commission recessed the open meeting, went into closed session under Wis. Stat. § 19.85(1)(g) to discuss the litigation matters noted below with legal counsel, and reconvened the open meeting pursuant to Wis. Stat. § 19.85(2).

Commissioner Callisto moved, pursuant to Wis. Stat. § 19.85(1)(g), that the Commission convene in closed session to discuss the litigation matters listed below. Commissioner Nowak seconded the motion. The motion was carried and the Commission went into closed session.

After a discussion in closed session, the Commission reconvened in open session.

FERC Docket Nos. ER14-1242-000, ER14-1242-001, ER14-1242-002, ER14-1243-000, ER14-1243-001, and ER14-1243-004 – Midcontinent Independent System Operator, Inc. [MISO]

FERC Docket No. EL14-34-000 – Public Service Commission of Wisconsin v. Midcontinent Independent System Operator, Inc.

Order on Complaint, Tariff Filings, and Rehearing, and Establishing Hearing and Settlement Procedures

MISO Compliance Filings

Review of Order and Filings with Legal Counsel and Other Related Administrative Matters

The Commission determined that it would file a motion to request clarification on the order issued by the Federal Energy Regulatory Commission (FERC) in the matter of FERC Docket No. EL14-34-000, Public Service Commission of Wisconsin v. Midcontinent Independent System Operator, Inc.

The Commission further determined that it would file comments with FERC in the related compliance dockets noted above.

The Commission delegated final approval of the motion for clarification and comments to the Chief Legal Counsel. This delegated authority is subject to any commissioner's right to review the pleadings and request approval by the full Commission prior to filing with FERC.

The Commission adjourned the meeting at 2:27 p.m.

Sandra J. Paske
Secretary to the Commission

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